

Message Text

LIMITED OFFICIAL USE

PAGE 01 CARACA 02265 041825Z
ACTION ARA-10

INFO OCT-01 EB-08 ISO-00 DOTE-00 L-03 H-01 PRS-01 CIAE-00
INR-07 NSAE-00 AID-05 JUSE-00 TRSE-00 OES-06 EPA-01
CEQ-01 /044 W
-----050806Z 025969 /14

R 041227Z MAR 77
FM AMEMBASSY CARACAS
TO USDOC WASHDC
INFO SECSTATE WASHDC 6837

LIMITED OFFICIAL USE CARACAS 2265

PASS TO OED/MEPD AND OIM

E.O. 11652: N/A
TAGS: BENC, VE
SUBJECT: MAJOR PROJECTS: RAILROAD

REFERENCE: CARACAS 1415; STATE 044045

1. DURING COURSE OF INTERVIEW IN WHICH EMBOFF PRESENTED GIST OF STATE REFTEL TO INGENIERO LYON LUCHESSI OF THE RAILROAD INSTITUTE, HE WAXED PHILOSOPHICAL ON THE PROGRESS OF THE BIDDING FOR THE RAILROAD PROJECT.

2. LYON HAS JUST RECEIVED A DRAFT OF THE BECHTEL REPORT ON TECHNICAL ASPECTS. HE EXPECTS FINAL REPORT BY END OF THE WEEK. NEXT WEEK, HE WILL CONVENE THE BIDDING COMMISSION TO DISCUSS DETAILS. THE WEEK AFTER, VARIOUS CONSORTIA WILL BE CALLED IN TO CLARIFY FOR THE COMMISSION ANY REMAINING DOUBTFUL ASPECTS. HE HOPES, BY THE END OF THE MONTH, TO HAVE FINALIZED THE BIDDING COMMISSION'S REPORT WITH RECOMMENDATIONS TO THE NATIONAL EXECUTIVE, I.E., MINISTER OF TRANSPORT AND COMMUNICATIONS AND THE PRESIDENCY. THIS REPORT, ALONG WITH BECHTEL REPORT,

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CARACA 02265 041825Z

WILL BE MADE AVAILABLE TO THE BIDDING CONSORTIA. LYON LUCHESSI EXPECTS THE EXECUTIVE TO TAKE ONE AND A HALF TO TWO MONTHS BEFORE A FINAL DECISION WOULD BE RENDERED BY PRESIDENT CARLOS ANDRES PEREZ.

3. WITH REGARD TO THE US CONSORTIUM'S OFFER, LYON LUCHESSI SAID, QUOTE, IN YEARS PAST, I KNEW A HARD-

WORKING MORRISON KNUDSEN. THEIR BID PRESENTATION---
I JUST DON'T KNOW. PERHAPS THEY WERE DISTRACTED BY HE
GURI DAM PROJECT. PULLMAN, ON THE OTHER HAND, WAS MUCH
MORE INTERESTED. END QUOTE. LYON LUCHESSI THEN
MENTIONED THAT THE RAILROAD INSTITUTE HAD TAKEN NOTE OF
THE US CONSORTIUM'S FINANCING OFFER AND THAT A SEPARATE
REPORT TO THE NATIONAL EXECUTIVE WILL ALSO ALLOW THE
PRESIDENT TO TAKE INTO ACCOUNT THIS AND OTHER OFFERS.

4. IF EMBOFF INTERPRETS LYON LUCHESSI'S GENERAL TONE,
FACIAL EXPRESSION AND HESITATIONS CORRECTLY, HE FOR THE
FIRST TIME HAS DEVIATED FROM THE PARTY LINE THAT THE BID
AWARD WOULD BE MADE ON ANY BASIS OTHER THAN A STRAIGHT-
FORWARD ANALYSIS OF THE BID DOCUMENTS AND FINAL AWARD TO
THE BEST SINGLE CONSORTIUM OFFER. HE DID NOT VOLUNTEER
AND EMBOFF DID NOT PRESS FOR ANY PREDICTION OF WHAT
MIGHT ENSUE WERE THE LICITATION TO BE VACATED AND A
NEGOTIATED CONTRACT SOUGHT. IT IS CLEAR, HOWEVER, THAT HE
WAS DISAPPOINTED IN THE U.S. OFFER.

5. COMMENT: THERE ARE TWO TRENDS OF THOUGHT IN THE
EMBASSY AS TO HOW THIS PROJECT WILL END UP. ON THE ONE
HAND, THE BETTING IS THAT THE LICITATION WILL BE VACATED AND
ONE OR SEVERAL CONSORTIA IN COMBINATION WILL BE INVITED TO
PRESENT A PROPOSAL WHICH WILL BE NEGOTIATED AND SIGNED.
THIS IS BECAUSE THE COMPLEXITY OF THE PROJECT, THE
INDEFINITENESS OF THE DATA, AND THE RELUCTANCE OF ANY
REALLY RESPONSIBLE CONTRACTOR TO BID A FIRM PRICE ON THE
CIVIL WORKS PACKAGE RENDER ANY OTHER DECISION ILLOGICAL.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CARACA 02265 041825Z

THE OTHER BET IS THAT THE PRESSURE OF TIME, WITH ELECTIONS
COMING UP IN EIGHTEEN MONTHS, AND THE POSSIBILITY OF
EFFECTIVE OPPOSITION ATTACK ON ANY RESOLUTION OTHER THAN
THE ACCEPTANCE OF THE LOWEST AND MOST RESPONSIBLE BID,
WILL PUT THE BID INTO THE LAP OF CANADA OR SPAIN. THIS
LINE OF OPINION BELIEVES THAT PRESIDENT PEREZ CANNOT
LONGER DELAY AN ANNOUNCEMENT THAT THE NATIONAL RAILROAD
WILL BE STARTED DURING HIS PERIOD IN OFFICE.
ASENCIO

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 04-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CARACA02265
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770076-0744
Format: TEL
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770394/aaaademp.tel
Line Count: 106
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 27caadbd-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 CARACAS 1415, 77 STATE 44045
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3211349
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECTS: RAILROAD
TAGS: BENC, VE
To: COM
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/27caadbd-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009